



# **WHISTLE BLOWER POLICY**

## **1. Objective**

The objective of this policy is to provide employees with the opportunity to access in good faith, the Audit Committee or the CEO (who will keep the Chairman of the Audit Committee informed of the facts as received by him), in case they observe unethical and improper practices or any other wrongful conduct of a financial or legal nature in the Bank and to prohibit managerial personnel from taking adverse action against employees for doing so.

## **2. Definitions**

**“Adverse Personnel Action” means:**

An employment related act or decision or a failure to take appropriate action by management which may affect the employee’s employment, including but not limited to compensation, increment, promotion, job location, job profile, immunities, leaves, training or other privileges.

**“Alleged Wrongful Conduct” means:**

Violation of law, breach of duty of care, infringement of the Bank’s Code of Conduct, misappropriation of monies and actual or suspected fraud or abuse of authority, of a financial or legal nature.

**“Audit Committee” means:**

A sub-committee of Board of Directors of the Bank, to which the Internal Auditor of the Bank reports.

**“Bank” means:**

National Bank of Bahrain

**“Good Faith” means:**

An employee shall be deemed to be whistle blowing in ‘good faith’ if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the employee does not have personal knowledge of a factual basis for the whistle blowing or where the employee knew or should have known that the whistle blowing is malicious, false or frivolous.

**“Policy” or “This Policy” means:**

this “Whistle Blower Policy.”

**“Unethical and Improper Practices” means:**

- a) An act which does not conform to approved standards of social and professional behavior;
- b) An act involving unethical business practices;
- c) Improper, wrongful or unethical conduct;
- d) Breach of Code of Conduct or morally offensive behaviour.

In general, the above improper conduct will be seen in wrongdoing of a financial or legal nature,

such as corruption, theft, fraud, misuse of Bank property or cash, abuse of official position for personal gain, etc.

**”Whistle Blower” means:**

An employee of the Bank who discloses in Good Faith and in writing any Unethical and Improper Practices to the CEO and or to the Chairman of the Audit Committee.

**3. Policy**

**3.1 Applicability**

This Policy applies to all employees of the Bank in Bahrain and overseas.

**3.2. Protection under the Policy**

An employee who acts as a Whistle Blower is protected against unfair termination and unfair prejudicial employment practices. No Adverse Personnel Action shall be taken or recommended against any Whistle Blower in retaliation against his disclosure in Good Faith of the alleged Unethical and Improper Practices.

Any Whistle Blower who considers that Adverse Personnel Action has been taken against him due to his disclosure of information under this Policy may seek redressal by approaching the CEO (who will keep the Chairman of the Audit Committee informed of the facts as received by him) or in exceptional circumstances, the Chairman of the Audit Committee.

However, this Policy does not protect a Whistle Blower or an employee from adverse action which occurs independent of his disclosure of Unethical and Improper Practices and is related to poor job

performance or any other disciplinary action unrelated to a disclosure made pursuant to this Policy.

#### **3.4 . False Allegation and Legitimate Employment Action**

An employee who knowingly makes false allegations of Unethical and Improper Practices or Adverse Personnel Action to the CEO or the Chairman of the Audit Committee shall be subject to disciplinary action (including termination of employment, if warranted) in accordance with the Labour Law provisions and the Bank's rules, policies and procedures.

Further, this Policy may not be used as a defense by an employee against whom Adverse Personnel Action has been taken independent of any disclosure of information by him and for legitimate reasons or cause under the Bank's rules and policies.

#### **3.5 Maintaining confidentiality in the process**

The Whistle Blower should honour the requirement to maintain confidentiality of the subject of the complaint, i.e. he should not inform any person other than the one to whom he is officially reporting the incident in accordance with this Policy. Also, particular care should be taken not to disclose the matter of whistle-blowing or the cause thereof to any person or entity outside the Bank. In the event it is understood by the Bank that the Whistle Blower has failed to comply with the requirements of confidentiality as stipulated in this section, he / she will be subject to the Bank's disciplinary measures for breach of confidentiality.

All cases will be processed in a highly confidential manner. Every effort will be made by the CEO and the Audit Committee not to reveal the identity of the Whistle Blower to other parties that are involved in any subsequent investigation of the matter. However, it should be understood by the Whistle Blower that it may be necessary to present him at the appropriate time as a witness before the relevant authorities, if required.

### **3.6 Anonymous Allegation**

This Policy encourages all concerned to put their names to their allegation whenever possible. If individuals choose to report their concerns anonymously, such anonymity will be respected. It should be noted that concerns expressed anonymously are much less powerful and will only be considered at the discretion of the Bank. In exercising this discretion, the factors that are taken into account are:

- The seriousness of the issue
- The credibility of the concern
- The likelihood of confirming the allegation from attributable sources.

It should be noted that if the report demonstrates criminal activity and the case is to be pursued by the Police, the identity of the person reporting the details may be important, especially if at a later date criminal proceedings are to be pursued effectively.

### **3.7 Procedures for handling whistle-blowing**

- a) An employee who observes Unethical and Improper Practices in the Bank may report the same to the CEO, through hard copy or e-mail, and in

exceptional cases to the Chairman of the Audit Committee through hard copy or e-mail. In case the employee chooses to report to the Chairman of the Audit Committee rather than the CEO, he should have valid reasons for doing so. The reporting should be done as soon as possible after noticing the matter to be reported, so as to facilitate taking prompt action and to establish that there are reasonable grounds for the allegation.

- b) If the CEO receives a Whistle Blower report, he will inform the Chairman of the Audit Committee and arrange to inquire into the allegation raised by the Whistle Blower, such that he can establish facts to his full satisfaction. The CEO will inform and involve other Bank staff on a 'need to know' basis to the extent necessary to successfully investigate the allegation. The suspected perpetrator must not be contacted in an effort to determine facts or demand restitution. No attempt should be made by the Whistle Blower to personally conduct investigations, interviews or questioning unless instructed by the CEO. The CEO will keep the Chairman of the Audit Committee advised of the outcome of the investigations.

If the Chairman of the Audit Committee receives the Whistle Blower report directly, he will advise the Audit Committee accordingly and the Audit Committee may authorize the CEO or any other senior managerial personnel to investigate the matter.

- c) If and when the CEO is satisfied that the alleged Unethical and Improper Practice existed or is in existence, he should take action as deemed appropriate to address the situation, taking suitable disciplinary action (if required) in consultation with the Chairman of the Audit Committee.

In case the CEO is not involved in the investigation process but the Chairman of the Audit Committee is satisfied after investigation that the alleged Unethical and Improper Practice existed or is in existence, the



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- Audit Committee may recommend to the Board to take suitable remedial action, including any disciplinary action, as it may deem necessary.
- d) Within one week from receiving the Whistle Blower's report, Human Resources Department, under instruction from the CEO or the Chairman of the Audit Committee, will write to the Whistle Blower to acknowledge that the concern has been received. Upon conclusion of the investigation into the allegation, Human Resources Department, under instruction from the CEO or the Chairman of the Audit Committee will advise the Whistle Blower of the outcome of the investigation. Human Resource Department will also maintain all records pertaining to the Whistle Blower's reports and subsequent action taken, for a period of 5 years.
- e) The CEO should advise the Board of Directors at every Board Meeting, the number of Whistle Blower reports received since the previous Board Meeting, and the outcome of investigations.
- f) The above procedure and provisions will apply not only for Whistle Blowing but also for reporting and redressing instances of Adverse Personnel Action. After considering the report and any pursuant investigation outcome, if the Audit Committee or the CEO observes any alleged Adverse Personnel Action, they should determine the cause, nature and extent of the Adverse Personnel Action and should take /recommend remedies which may include:
1. Reassurance that the employee against whom the alleged Adverse Personnel Action has been perpetrated will be protected from possible recriminations if they have made the disclosures in Good Faith.
  2. Restrain continuous violation of this Policy;

3. Reinstatement of the employee to the same position or to an equivalent position;
4. Order for compensation for lost wages, remuneration or any other benefits, etc.

### **3.8 Notification**

Human Resources Department is required to notify and communicate the existence and contents of this Policy to existing employees of the Bank as well as to new employees that are appointed in future, along with suitable e-mail / postal addresses for reporting to the CEO or Chairman of the Audit Committee by the Whistle Blowers.